

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 7.9 percent in April 2013

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FRANKFORT, Ky. (May 16, 2013) — Kentucky's seasonally adjusted preliminary unemployment rate fell to 7.9 percent in April from 8 percent in March 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary April 2013 jobless rate was .3 percentage points below the 8.2 percent rate recorded for the state in April 2012.

The U.S. seasonally adjusted jobless rate decreased to 7.5 percent in April 2013 from 7.6 percent in March 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In April 2013, Kentucky's civilian labor force was 2,093,048, an increase of 6,226 individuals compared to the previous month. Employment rose by 6,673, while the number of unemployed people dropped by 447.

"Kentucky's unemployment rate has hovered between 7.9 percent and 8 percent for the last six months," said economist Manoj Shanker of the OET. "The employment picture has brightened with the steady increase in jobs. That in turn has caused more people to enter the labor force, effectively keeping the unemployment rate fairly flat."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment rose by 3,200 jobs to 1,836,200 in April 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has added 13,700 jobs.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, four of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while five declined and two remained unchanged.

Kentucky's leisure and hospitality sector expanded by 2,800 jobs in April 2013. Since April 2012, the sector has jumped by 5,900 positions or 3.4 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

“Jobs have grown steadily for seven of the last nine months in the leisure and hospitality sector,” said Shanker.

The state’s manufacturing sector gained 2,300 positions in April 2013. Since April 2012, employment in manufacturing has shot up by 9,500 jobs or 4.3 percent.

“The softening of the global market has had almost no effect on Kentucky’s durable goods subsector. Manufacturing employment has been driven up by the domestic demand for automobiles. New vehicle sales have gone up by 9 percent through the first four months of the year,” said Shanker.

Kentucky’s professional and business services sector rose by 2,300 jobs in April 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last April, jobs in the sector have increased by 2,500.

Jobs in the trade, transportation and utilities sector went up by 1,600 jobs in April 2013. This is the largest sector in Kentucky with 374,000 positions, and accounts for about 20 percent of nonfarm employment. Since April 2012, jobs in this sector have increased by 3,800.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, remained unchanged from March 2013 to April 2013. Compared to a year ago, there has been a loss of 3,000 jobs.

The information sector also remained flat in April 2013. This segment has declined by 1,600 positions since April 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the mining and logging sector fell by 100 jobs in April 2013. The number of jobs in this sector has declined by 3,400 or 15 percent since last April.

The educational and health services sector dropped by 800 positions in April 2013. The sector has posted an increase of 1,300 jobs since April 2012.

The government sector, which includes public education, public administration agencies and state-owned hospitals, decreased by 1,500 jobs in April 2013. The sector had 700 fewer jobs compared to April 2012.

The financial activities sector decreased by 1,700 jobs in April 2013. Compared to April a year ago, businesses involved in finance, insurance, real estate and property leasing have gained 1,300 jobs.

“The hiring environment in the financial activities sector seems to have weakened. Employment in the financial sector is prone to large swings. Hiring drops when financial institutions experiment with providing mainly online services. It increases as they try to capture more customers by hiring local representatives,” Shanker said.

The construction sector fell by 1,700 positions in April 2013 from a month ago. Since April 2012, employment in construction has dropped by 1,900 jobs.

“States like California and Florida, where the housing market had been decimated during the recession, are seeing a surge in construction. In Kentucky, residential construction is posting slight gains, but the overall drop in construction is because of a lack of funding for commercial projects and heavy highway construction projects.”

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at www.kylmi.ky.gov.